

**UTAH GEOLOGICAL SURVEY  
BOARD MEETING MINUTES  
JANUARY 11, 2008  
8:30 A.M. – 12:00 P.M.**

**Attendance:**

**Board Members:**

Geoffrey Bedell, Chair  
Stephen Church  
Kenneth Puchlik  
Alisa Schofield

Jack Hamilton, Vice Chair  
David Simon  
Mark Bunnell  
Tom Faddies, Ex Officio

**Staff:**

Rick Allis, Director  
John Kingsley, Associate Director  
Sandy Eldredge, Program Manager  
Phil Powlick, Program Manager  
Will Chatwin, State Energy Program

Kimm Harty, Deputy Director  
Dianne Davis, Board Secretary  
Gary Christensen, Program Manager  
Jason Berry, State Energy Program

Chair Bedell welcomed all to the meeting of January 11, 2008. The meeting began at 8:32 A.M.

**APPROVAL OF MINUTES**

Chair Bedell asked for a motion to approve the last meeting's minutes. Stephen Church motioned to approve minutes as written and Jack Hamilton made a second. All were in favor.

**HAZARDS PROGRAM REVIEWS STATUS**

Gary Christenson gave an update on this issue. UGS reviews for cities are still being done on a special request basis, but based on what can be fitted into the program's work schedule. The UGS did 46 reviews last year and 26 this year. This decreasing trend should continue. Due to Representative Morley's bill to change existing code and possible implications for reviews in the event of disagreement between the city and the developer, the Board should pick up this topic at the next meeting in April. The board continues to support its previous decision concerning reviews being done under specified special circumstances.

**DIRECTOR'S REPORT**

**FINANCIAL POSITION**

Upgrade to the Core facility is out to bid for the second time. There have been \$3,000 in costs so far. The full costs of the modifications are likely to hit next fiscal year. Mineral Lease may only be 2 million this year. (\$2.5 million budgeted) due to lower than expected natural gas prices through Fall. Prices in January have rebounded and are expected to remain strong for the rest of the FY, which should mean the dip in Mineral Lease revenue is temporary.

Back revenues associated with the Exchanged Lands Funds set up last legislative session should be forwarded to the UGS after appropriate language is passed during this year's session. Most of this revenue is earmarked for ground water wells in Snake Valley, West Utah, and is likely to be carried forward into FY09 because of insufficient time to do the drilling in the remaining months of this year.

## **GRANTS & CONTRACTS**

Grants and contracts continue to be about 25% of our budget. Two large funding proposals for the UGS are waiting decisions and a third large one has been awarded with details still being finalized.

The UGS recently submitted its annual Statemap proposal to the USGS for geologic mapping costing \$592k (\$296k federal, just under the \$300k proposal cap). Last year the UGS received the highest award of \$246k federal. It will be tough to sustain the top spot, but hopefully our proposal will still be highly ranked. A funding decision has been delayed by the late approval of agency budgets for FY08 by Congress.

One of the first solicitations ever for research into new/alternative gas plays to come from federal funding was issued in fall of 2007 through RPSEA (Research Partnership to Secure Energy for America; subcontractor to DOE Fossil Energy). The deadline for proposals was relatively short, but after consultation with potential industry partners, the UGS submitted a proposal for \$641k (\$428k new UGS funds over three years) with the title, "Paleozoic shale gas resources in the Colorado Plateau and Eastern Great Basin, Utah: Multiple Frontier Exploration Opportunities". Major partners included Halliburton Energy Services, Bereskin and Associates, and GeoX Consulting. A decision on successful proposals is expected in early 2008.

The third large project that has been funded but not finalized in terms of tasks is the third phase of the Southwest Partnership for CO<sub>2</sub> Sequestration. The UGS share of Year 1 is potentially \$346k, although delays in getting the details sorted out with DOE mean a maximum of 9 months revenue in Year 1. The key aspect is a pilot injection project into formations beneath the main Navajo CO<sub>2</sub> reservoir of Farnham Dome. Some of the CO<sub>2</sub> will be piped from the coalbed methane gas processing plants near Price. The UGS will also work on assessment of geologic sequestration issues in the vicinity of Utah's large coal-fired power plants.

## **PERSONNEL**

Direct Allis reviewed staff changes since the last Board meeting. The Ground-Water section is ready to interview for Charlie Bishop's position. The Editorial section had 65 applicants for the open Graphics Arts position and are getting close to doing interviews. Sharon Wakefield (Energy and Minerals Program) retired and we are still advertising for this position. Gary Christensen's Program Manager position has been filled. Steve Bowman will start on February 4<sup>th</sup>. Administrative Secretary – Dianne Davis and SEP – Will Chatwin are now with UGS.

## **LEGISLATIVE UPDATE**

On Wednesday, January 16, 2008, we have our base budget meeting. Once the session begins, the key meeting will be when the Natural Resources Appropriations subcommittee considers the Governor's request for a Hazards program building block.

## **STATE ENERGY UPDATE**

Minor tweaking on the rule is being worked on. This will be discussed later in the meeting.

## **SNAKE VALLEY DRILLING UPDATE**

We've spent about \$1 million and have eight well sites with 19 piezometers. Due to the cold, the last site planned for the 2007 drilling program didn't get drilled. The cost is approximately \$100K a hole. We should know by March what the 2008 budget will be. Senator Stowell visited the UGS for an update on progress, and he was happy with what has been done. He gave a positive report to the legislative committee.

## **POTENTIAL RULE CHANGE ON SOLAR-THERMAL INSTALLATIONS**

Phil Powlick presented the rule change. Jack Hamilton made a motion to accept. Ken Puchlik seconded the motion. All were in favor.

## **PROGRAM UPDATE – GEOLOGIC INFORMATION AND OUTREACH**

Sandy Eldredge, Program Manager, gave the Board a review of recent program activities and future plans. After discussion about trends in presenting geologic information on the web, it was agreed that a "Google Earth" demonstration would be done at the next board meeting.

## **BOARD SCHEDULE FOR 2008**

*Dates: Friday, April 11<sup>th</sup>, Friday, June 13<sup>th</sup>, Friday, August 15<sup>th</sup> and January 9<sup>th</sup>, 2009* were accepted for the next three meetings. The field trip will be either mid-September or the first week of October. We will finalize the date for the field trip.

## **CHAIR & VICE CHAIR SELECTION**

Stephen Church motioned that Geoffrey Bedell be retained as the chairman. Alisa Schofield made a second. All were in favor.

Stephen Church motioned that Jack Hamilton be retained as vice chair. Ken Puchlik made a second. All were in favor.

## **ADJOURNMENT**

The meeting adjourned at 11:18 A.M.